ISSUE DATE: December 23, 1997

DOCKET NO. P-999/M-97-1270

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ORDER DESIGNATING PETITIONERS AS ELIGIBLE TELECOMMUNICATIONS CARRIERS, ALLOWING ADDITIONAL TIME TO PROVIDE CERTAIN SERVICES, APPROVING RATE REDUCTION FOR QUALIFIED LOW INCOME CUSTOMERS, AND REQUIRING FILINGS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Edward A. Garvey	Chair
Joel Jacobs	Commissioner
Marshall Johnson	Commissioner
Gregory Scott	Commissioner
Don Storm	Commissioner

In the Matter of the Request by Members of MIC for Designation as an Eligible Telecommunications Carrier and Temporary Suspension of Certain Toll Restriction Services; In the Matter of the Requests by Other Incumbent LECs for ETC Designation

ISSUE DATE: December 23, 1997

DOCKET NO. P-999/M-97-1270

In the Matter of the Request of Northland Telephone Company d/b/a PTI Communications

DOCKET NO. P-551/M-96-135

ORDER DESIGNATING PETITIONERS AS ELIGIBLE TELECOMMUNICATIONS CARRIERS, ALLOWING ADDITIONAL TIME TO PROVIDE CERTAIN SERVICES, APPROVING RATE REDUCTION FOR QUALIFIED LOW INCOME CUSTOMERS, AND REQUIRING FILINGS

PROCEDURAL HISTORY

On February 8, 1996, the President signed into law the Telecommunications Act of 1996 (the Act).

On the same date, Northland Telephone Company, d/b/a PTI Communications (PTI), filed a request with the Commission for designation as an Eligible Telecommunications Carrier (ETC). Recognizing that further federal action on the ETC issue would be necessary, PTI did not seek any formal notice, hearing, or process at that time.

On August 20, 1997, the Minnesota Independent Coalition (MIC), on behalf of 82 member independent local exchange companies (LECs), filed a request for ETC designation within the meaning of 47 U.S.C. § 214(e)(1). The MIC also asked the Commission to grant additional time for its members to provide certain “toll control” services within the meaning of 47 C.F.R. § 54.400(a)(3).

Between September 12, 1997, and November 20, 1997, similar petitions were filed by Frontier Communications of Minnesota, Inc. (Frontier), Mankato Citizens Telephone Company (MCTC), Mid-Communications, Inc. (Mid-Com), Heartland Telecommunications Company of Iowa (Heartland), Redwood County Telephone Company (Redwood), Clements Telephone Company (Clements), Century Telephone of Northwest Wisconsin, Inc. and Century Telephone of Chester, Inc. (the Century Telephone Companies), Contel of Minnesota, Inc. d/b/a GTE Minnesota (GTE), US WEST Communications, Inc. (US WEST), and United Telephone Company of Minnesota (United).

On October 6, 1997, the Department of Public Service (the Department) and the Residential and Small Business Utilities Division of the Office of Attorney General (RUD-OAG) filed comments.

On October 6, 1997, PTI filed a request for permission to withdraw its February 8, 1996 petition. PTI noted that it was included as a member of MIC in MIC's petition for ETC designation; PTI therefore did not need to go forward with a separate proceeding. PTI further noted that it had acquired 33 rural telephone exchanges from US WEST since PTI's original filing. PTI asked the Commission to modify the MIC petition to reflect the addition of 33 exchanges to PTI's service territory.

On October 16, 1997, reply comments were filed by MIC, Frontier, MCTC, Mid-Com, Heartland, Redwood, and Clements.

On November 24 and 26, 1997, supplemental filings were submitted by GTE and US WEST, respectively.

On November 24, 1997, the Department filed supplemental comments.

On December 9, 1997, the matter came before the Commission for consideration.

FINDINGS AND CONCLUSIONS

I. INTRODUCTION AND SUMMARY OF THIS ORDER

In this Order the Commission will first note some of the principal points of federal statutes and rules concerning ETC designation. The Commission will then analyze the various petitions it has received for ETC designation and for additional time to provide services required for ETC designation. The Commission will next discuss the comments filed by the Department and the RUD-OAG. In Part V of the Order, the Commission will decide if the petitioning LECs should be granted ETC status, and if the LECs should be granted the additional time they have requested for network upgrades. In the last part of the Order, the Commission will discuss the changes in federal rules on Lifeline low income assistance, and the actions the Commission will take in response to those changes.

II. DESIGNATION OF A LOCAL EXCHANGE CARRIER AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER UNDER FEDERAL LAW

The purpose, definition, and implementation of ETC status are found in the federal Telecommunications Act of 1996 and in the FCC's rules on universal service, 47 C.F.R. Part 54.

Section 254 of the Act lists principles for the preservation and advancement of universal service:

- quality telephone service should be available at just, reasonable, and affordable rates
- access to advanced telecommunications and information services should be provided in all regions of the nation
- consumers in every region, including low income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services that are reasonably comparable to those offered in urban areas, and at comparable rates
- all providers of telecommunications services should make an equitable and nondiscriminatory contribution to the preservation and advancement of universal service
- specific, predictable, and sufficient federal and state mechanisms should preserve and advance universal service

- elementary and secondary schools and classrooms, health care providers, and libraries should have access to advanced telecommunications services

Section 254(e) of the Act states that, once universal service rules are promulgated, only an ETC designated as such under § 214(e) will be eligible to receive specific federal universal service support.

Under § 214(e)(1) of the Act, a designated ETC that is eligible for universal service support under § 254(e) shall, throughout its service area: 1) offer the services that are supported by universal service support mechanisms; 2) advertise the availability of such services and the charges therefor. The carrier shall use its own facilities or a combination of its own facilities and resale of another carrier's facilities.

Section 214(e)(2) authorizes state commissions to designate the common carriers that meet ETC requirements.

47 C.F.R. § 54.201(a) through (d) restates the authority of state commissions to determine ETC status. Beginning January 1, 1998, only state commission-designated ETCs will be eligible for federal universal service support.

47 C.F.R. § 54.101(a) lists the federally supported services for rural, insular, and high cost areas:

- voice grade access to the public switched network
- local usage
- dual tone multi-frequency signaling (touch tone)
- single-party service
- access to emergency services, such as 911 or enhanced 911 (E911) offered by local governments
- access to operator services
- access to interexchange service
- access to directory assistance
- toll limitation for qualifying low income consumers

An ETC must offer each of the services in order to receive universal service support.
47 C.F.R. § 54.101(b).

Toll limitation is described in 47 C.F.R. § 54.400. The rule states that "...'[t]oll limitation' denotes both toll blocking and toll control." The rule defines toll blocking as "a service provided by carriers that lets consumers elect not to allow the completion of outgoing toll calls from their telecommunications channel." Toll control is defined as "a service provided by carriers that allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle."

47 C.F.R. § 54.101(c) allows a state commission to grant the request of an otherwise eligible telecommunications carrier for additional time to provide the following required services: single-party service; access to E911; or toll limitation. The state commission may grant the additional time upon a showing that exceptional circumstances render the otherwise eligible telecommunications carrier incapable of offering one or more of the three services. While the otherwise eligible telecommunications carrier will receive federal universal service support

during the additional time period granted by the commission, the period will not last beyond the time the commission finds that exceptional circumstances exist and that additional time is necessary for the carrier to complete network upgrades to provide the services.

III. THE PETITIONS FOR DESIGNATION AS AN ETC AND FOR ADDITIONAL TIME TO PROVIDE SERVICES

Each petitioning LEC stated that the Commission has the authority to determine which LECs have assumed universal service obligations consistent with 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(b) and (d) and should be designated as ETCs to receive federal universal service funding support.

Each petitioning LEC stated that it was a facilities-based carrier.

US WEST stated that it offered all local exchange telecommunications services required under 47 C.F.R. § 54.101(a). US WEST stated that it seeks a Commission Order to remove any ambiguity on its status as an ETC in its Minnesota service areas.

US WEST offered three reasons that toll control should not be necessary to fulfill the rule requirement to offer toll limitation to qualifying low income customers. 47 C.F.R. § 54.101(a). First, US WEST stated that the FCC's universal service Order and Rules are not clear that both toll blocking (which US WEST already offers) and toll control are included under the concept of toll limitation. According to US WEST, the FCC's Notice of Further Rulemaking, issued in September, 1997, indicated that *either* toll blocking or toll control would satisfy the toll limitation requirement. Second, LECs currently lack the technology to offer toll control. Third, even if toll control technology were available, the service could not be offered without the full assistance of each long distance carrier offering service in Minnesota.

US WEST stated that it has petitioned the FCC for clarification that either toll blocking or toll control will satisfy the requirement to offer toll limitation service to qualifying low income consumers. According to US WEST, the Commission should not require LECs to offer toll control unless and until the FCC clarifies that toll control, as well as toll blocking, are required elements of toll limitation.

The MIC and other petitioning independent LECs stated that they offer all the required services under 47 C.F.R. § 54.101(a) with the exception of toll control. These petitioners did not argue that toll control is not a necessary part of toll limitation; they maintained, however, that they lack the technological capability to offer the service. To provide toll control, they argued, local switches must be able to sort and accumulate toll usage records to individual telephone numbers on a contemporaneous ("real time") basis. LECs are currently incapable of accomplishing this task, and their equipment vendors do not contemplate developing such technology any time soon. Even if the switch technology to gather usage data were developed and available, a LEC would need to associate the usage data with toll rating tables for all interexchange carriers serving customers in the LEC's exchange areas. The LECs noted that there is no way they could require long distance carriers to provide this complicated, and often proprietary, data.

The MIC and other petitioning independent LECs asked the Commission to designate them as ETCs and to allow them additional time to provide toll control service until the technology to provide such service is developed and available.

GTE asked the Commission to designate it as an ETC and to allow the Company until December 31, 1998 to provide toll control and, in certain exchanges, toll blocking and enhanced 911. GTE explained that it is currently modernizing its statewide system, pursuant to a Commission-approved plan.[1] Under the plan, the Company has until December 31, 1998 to convert its last 12 Minnesota central offices from analog to digital switches. GTE cannot provide either E911 or toll blocking with analog switches. Although GTE hopes to complete the switch conversion in June, 1998, the Company asked for an extension until December 31, 1998, as allowed under the plan, to give the Company leeway to complete the conversion.

GTE also asked for an extension until December 31, 1998 to provide toll control services to qualified low income customers. GTE stated that it has initiated an advanced credit management (ACM) switch software system in other state jurisdictions and expects to bring the system into Minnesota. GTE believes that ACM, through the use of mandatory toll limits, incorporates some attributes of a toll control program. GTE expects to install ACM software and to process necessary system modifications in Minnesota by December 31, 1998.

IV. COMMENTS OF THE PARTIES

A. The Department

The Department recommended that all petitioning LECs be granted ETC status.

The Department disagreed with US WEST's argument regarding toll limitation. According to the Department, the FCC rule language clearly requires *both* toll control and toll blocking elements of toll limitation. The Department recommended granting the petitioners one additional year to provide toll control. The Department also recommended granting GTE its request for an extension until December 31, 1998 to offer E911 and toll control services.

B. The RUD-OAG

The RUD-OAG recommended that the Commission designate the petitioners as ETCs within their respective service areas. At the December 9 meeting, the RUD-OAG recommended granting a one year extension for the petitioners to offer toll control services. In the meantime, the parties should examine other alternatives to toll control, such as GTE's ACM service and switch software which allows toll blocking with a selective unblocking capability.

V. COMMISSION ACTION ON ETC DESIGNATION

The Act and federal rules require a finding of four elements for a state commission designation of ETC status: 1) the carrier is serving the designated area; 2) the carrier is using its own facilities, in part, to provide service; 3) the carrier is advertising the availability and prices of services; and 4) the carrier is offering the list of services required for federal universal service support.

The Commission will review each of these elements for the petitioning LECs.

A. Service Areas

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[1] In the Matter of a Commission Initiated Investigation to Establish Requirements for the Telecommunications Infrastructure in Minnesota, Docket No. P-999/CI-93-1176, ORDER APPROVING GTE MINNESOTA'S MODERNIZATION PLAN AND REQUIRING PROGRESS REPORTS (February 21, 1995).

Section 214(e) of the Act requires a designated ETC to offer the required services throughout the service area for which the designation is received. 47 C.F.R. § 54.207 defines "service area" as "a geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms."

The Commission has defined the term "universal service area" in its rules governing local competition, Minn. Rules, parts 7812.0050 through 7812.2300. Under Minn. Rules, part 7812.0100, subp. 51, item A, a rural LEC's applicable geographic area is the LEC's "study area." The rules define "study area" as "the area designated for a particular local exchange carrier by the FCC." Minn. Rules, part 7812.0100, subp. 44b. Under Minn. Rules, part 7812.0100, subp. 51, item B, the Commission has designated the "exchange area" as the applicable geographic area for non-rural LECs.

Each petitioning LEC asked for ETC status in every exchange in which it is certified to provide service in Minnesota. Each LEC therefore fulfills the requirement to offer the required services throughout the service area for which the designation is received.
47 U.S.C. § 214(e).

B. Facilities-Based Service

Section 214(e) of the Act requires the designated ETC to offer the required services either by using its own facilities or by using a combination of its own facilities and resale of another carrier's services. The rules clarify that facilities leased as unbundled network elements from another carrier qualify as the leasing carrier's "own facilities." 47 C.F.R. § 201(f).

Each of the petitioning LECs is an incumbent LEC providing service entirely through the LEC's own facilities. Each LEC therefore fulfills the requirement to offer the required service through its own facilities.

C. Advertising Availability of Service

Designated ETCs must advertise the availability of the required services and the charges therefor, using media of general distribution. 47 U.S.C. § 214(e), 47 C.F.R. § 54.201(d)(2).

The MIC and other petitioning LECs stated that they would advertise the availability of local exchange services in accord with any specific advertising standards that the Commission develops, using media of general distribution, and would provide copies of such advertising to the Commission, the Department, and the RUD-OAG. In the alternative, if the Commission so ordered, the LECs would submit proposed advertising for further review and approval.
The Commission will require all petitioning LECs to submit an advertising plan to the Commission within ten days of the date of this Order. The plan should include:
a) a description of available services and their rates; b) the geographic area where those services are available; c) the medium of publication of the advertising, including names of, and geographic areas served by, the newspapers in the plan; and d) the size and type of the advertising. The Commission will delegate to its Executive Secretary the authority to approve or reject the filed plans. Upon approval of the plans, the LECs will have met the advertising requirement of 47 U.S.C. § 214(e) and 47 C.F.R. § 54.210(d)(2).

The Commission notes that Minnesota LECs are currently required to disclose all their local service options when a customer requests either installation of, or changes to, local services. LECs are also required to disclose the local service options annually through bill inserts.

Minn. Stat. § 237.66. Those requirements will continue unchanged. The advertising requirements under the universal service statute and rules are in addition to the requirements in Minn. Stat. § 237.66.

D. Required Services

In order to receive federal universal service support, designated ETCs must provide the nine services listed previously in this Order. 47 C.F.R. § 214(e)(1), 47 C.F.R. § 54.101(a) and (b).

Every petitioning LEC offers the following seven of the required services throughout its service area: voice grade access to the public switched network; local usage; dual-tone multi-frequency signaling; single-party service; access to operator services; access to interexchange service; and access to directory assistance.

US WEST claimed that it provides another required service, toll limitation, through its provision of toll blocking. The other petitioning LECs (except GTE), stated that they offer toll blocking but cannot currently provide the other component of toll limitation, toll control. These petitioning LECs requested additional time to offer toll control.

GTE stated that it does not offer E911 or toll blocking in its 12 exchanges which have not been converted to digital switches. GTE stated that it does not offer toll control anywhere in its service area. GTE requested an extension to December 31, 1998 in which to offer E911, toll blocking, and toll control in all its exchanges.

1. Toll Control

47 C.F.R. § 54.400(d) clearly defines toll limitation--one of the required services for ETC designation--as "both toll blocking and toll control." The Commission is unpersuaded by US WEST's argument that the FCC's notice of further rulemaking can be relied upon to allow either toll blocking or toll control to satisfy the service requirement. Unless and until the FCC clarifies that either toll blocking *or* toll blocking will satisfy the requirement, as US WEST has argued to the FCC, the Commission must be guided by the plain language of the governing rule: Toll limitation denotes both toll blocking and toll control.[2]

47 C.F.R. § 54.101(c) allows a state commission to grant the petitioner additional time to provide toll control if exceptional circumstances render the petitioner unable to provide the service and the time is required to complete the necessary network upgrades. In this case, the Commission finds that exceptional circumstances do exist and that the petitioning LECs lack the capability to provide toll control.

The MIC offered convincing proof that their software vendors do not currently offer the technology to sort and accumulate toll usage records on a real time basis--a necessary component of toll control. The vendors currently do not plan to develop such technology; they, too, are apparently awaiting FCC clarification of the toll limitation requirement. Because a necessary switch component is unavailable, the LECs lack the capability of providing toll control.
The MIC and other petitioners also noted that, even if toll control switch technology were available, LECs would also depend on the cooperation of every interexchange carrier in the

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[2] The Commission notes that the MIC and other independent LECs have also submitted a petition for reconsideration and clarification to the FCC, requesting that the FCC exclude toll control from the list of services required for designation as an ETC. A favorable answer from the FCC in this case would also result in toll blocking fulfilling the toll limitation requirement for ETC designation.

service area providing the rate and interpretive data necessary to convert usage data to real time toll control data. This, too, may pose a barrier to development of toll control service.

The Commission will therefore grant all petitioning LECs a one year time extension in which to provide toll control. (This includes US WEST, which relied on its argument that toll blocking satisfies the toll limitation requirement and therefore did not specifically ask for a time extension.) The Commission finds that the current lack of available technology constitutes exceptional circumstances warranting a time extension in which to complete the necessary network upgrades. The Commission urges the LECs to explore every alternative means of providing toll control during the additional year provided. Possible alternatives include card debiting, ACM, or switch software that allows toll blocking with selective unblocking capability.

Finally, the Commission notes that the FCC may answer the parties' reconsideration and clarification petitions by declaring that either toll blocking or toll control satisfies the toll limitation requirement. In that case, the Commission's current action-- granting the parties a one year extension to develop the network capability to provide toll control--should not be construed to require Minnesota companies already providing toll blocking to also provide toll control. At this time, the Commission is simply granting the time extension to allow the companies the necessary time to develop technology to provide a service required under the federal rules. If that requirement ceases to exist, this Order will not, without further Commission action, require Minnesota companies providing toll blocking to also provide toll control.

2. GTE's Offering of Toll Blocking and E911 in Its Analog Switch Wire Centers

The Commission finds that exceptional circumstances--GTE's lack of modernization in 12 of its wire centers--warrant a time extension for GTE to provide E911 and toll blocking in those exchanges. GTE needs additional time to upgrade its network, by converting from analog to digital switches, to accommodate E911 and toll blocking in the 12 wire centers.

At the December 9, 1997 meeting, GTE stated that it hopes to complete the switch conversion by June, 1998. GTE asked for an extension until December 31, 1998, however, because its modernization plan does not require network conversion until then, and because unforeseen delays in the switch conversion may occur.

While 47 C.F.R. § 54.101 (c) allows the Commission to grant a LEC a time extension to provide certain services, the time extension "should not extend beyond the time that the state commission deems necessary for that eligible telecommunications carrier to complete network upgrades." In this case, the Company itself estimates that the upgrade should be completed by June, 1998. This is the time the Company should be granted under the FCC rule. The estimated timelines under the Company's modernization plan, approved years before by the Commission, are not relevant to the calculation of necessary time under the FCC rule. The Commission also notes that GTE, alone of all the petitioning LECs, made a management decision to delay bringing all of its system into the modern era until the end of 1998. The Commission sees little reason to reward such a decision by granting the Company extra time to complete the necessary network upgrades.

The Commission will therefore grant GTE an extension until June 30, 1998, in which to provide toll blocking and E911 in all of its service area, including the 12 wire centers currently being modernized.

E. Summary of Commission Action on the LEC Petitions

For the reasons stated, the Commission finds that each petitioning LEC is an ETC under federal statutes and rules. The Commission grants all petitioning LECs a one year time extension in which to provide toll control. The Commission grants GTE an extension until June 30, 1998, in which to provide toll blocking and E911 in all of its service area, including the 12 wire centers currently being modernized.

VI. LIFELINE ASSISTANCE

The FCC's universal service rules contain certain changes in the federal Lifeline assistance program. Because the federal Lifeline program is connected to state low income telephone payment assistance, the rule changes require certain actions by this Commission.

In this section of the Order, the Commission will first decide the Minnesota low income telephone assistance plan designed to assist eligible subscribers through state funding and to enable those subscribers to take advantage of the federal matching plan, known as Lifeline. Minn. Stat. §§ 237.69 through 237.711. The Commission will then discuss the recent changes in the federal Lifeline rules which affect participants in Minnesota. Finally, the Commission will discuss the actions it will take to address the federal changes.

A. The Minnesota Telephone Assistance Program

Minnesota's Telephone Assistance Program (TAP), Minn. Stat. §§ 237.69 through 237.711, provides a monthly credit on the bills of low income customers who are either disabled or elderly. Under the law, state assistance under TAP may not exceed the amount available to low income consumers under the federal matching plan. Prior to the recent changes in federal rules, the monthly credit under the federal matching plan, Lifeline, was $3.50 per month.

B. Changes in the FCC Lifeline Rules

In order to qualify for Lifeline assistance under the new FCC universal service rules, a consumer must meet the criteria established by the state commission. The new rules require the state commission to establish qualification criteria that are based *solely* on income or factors directly related to income. 47 C.F.R. § 54.409(a). Under the new rules, therefore, Minnesota's TAP is no longer considered a valid matching program for federal Lifeline assistance.

Although Minnesota no longer provides matching state Lifeline support under the new rule criteria, a Minnesota consumer may qualify for federal Lifeline assistance through participation in one of the following programs: Medicaid; food stamps; Supplemental Security Income; federal public housing assistance; or Low-Income Energy Assistance Program. The carrier must obtain the consumer's signature certifying participation in one of the above programs. 47 C.F.R. § 54.409(b).

The FCC rules establish the Lifeline support at $3.50 per month per qualifying low income consumer. As a result of a change in the rules, if the state commission approves an additional reduction in low income consumer rates of $1.75 per month, additional Lifeline support in the same amount will be provided to the carrier providing Lifeline service to that consumer. 47 C.F.R. § 54.403(a). The monthly federal credit to the qualifying low income consumer will thus total $5.25.

The FCC rules require the state commission to file, or require the carrier to file, certain information with the Universal Service Administrator. The information must show that the carrier's Lifeline plan meets the criteria in the FCC rules, and state the number of qualifying low income consumers and the amount of state assistance. 47 C.F.R. § 54.401(d).

C. Commission Action

Because Minnesota's TAP program bases support eligibility on low income *and* either disability or age, the program no longer complies with the FCC's income-only eligibility requirements for matching Lifeline support. Customers who qualify for Minnesota's TAP assistance will continue to receive TAP support, but that support will not be matched by federal funds.

Low income Minnesota customers may qualify for federal Lifeline assistance under 47 C.F.R. § 54.409(b), the rule covering states that do not provide matching Lifeline support. TAP recipients who also qualify for Lifeline assistance under the federal income-only criteria of 47 C.F.R. § 54.409(b) may receive the federal assistance in addition to TAP assistance.

In order to increase the federal Lifeline assistance from \$3.50 to \$5.25, the Commission under the new rules must approve a rate reduction of \$1.75 per month per low income customer. To qualify Minnesota Lifeline recipients for the maximum \$5.25 support, the Commission will here authorize a \$1.75 reduction in the monthly intrastate rate paid by end users who qualify for Lifeline assistance under 47 C.F.R. § 54.409(b).

The Commission will also require each ETC designated in this Order to file the necessary tariffs to qualify for the maximum support available under the federal Lifeline program in states without a qualifying state matching program, i.e. \$5.25 per subscriber qualifying for assistance under 47 C.F.R. § 54.409(b).

The Commission will also direct each ETC designated in this Order to file with the Universal Service Administrator, by December 31, 1997, the following information: 1) a demonstration that the carrier's Lifeline plan meets the criteria in 47 C.F.R. §§ 54.400 through 54.417; 2) the number of low income consumers qualifying for Lifeline support; 3) the amount of state assistance. The Commission notes that the last factor will be zero, because there is currently no matching state Lifeline assistance under the FCC income-only criteria.

ORDER

1. The Commission designates the petitioning local exchange carriers as eligible telecommunications carriers, within the meaning of 47 U.S.C. § 214(e)(1) throughout the local exchange areas that constitute their respective individual service areas in Minnesota, as shown in Exhibits 1 through 8 attached.

2. As provided in 47 C.F.R. § 54.101(c), the Commission grants all petitioning LECs a one year time extension, beginning from the date of this Order, in which to provide toll control.

3. As provided in 47 C.F.R. § 54.101(c), the Commission grants GTE an extension until June 30, 1998, in which to provide toll blocking and E911 in all of its service area, including the 12 wire centers currently being modernized.

4. Within ten days of the date of this Order, all petitioning LECs shall submit an advertising plan to the Commission. The plan should include: a) a description of available services and their rates; b) the geographic area where those services are available; c) the medium of publication of the advertising, including names of, and geographic areas served by, the newspapers in the plan; and d) the size and type of the advertising. The Commission delegates to its Executive Secretary the authority to approve or reject the filed plans.

5. The Commission approves a rate reduction of $1.75 in the monthly intrastate rate paid by end users who qualify for Lifeline assistance under 47 C.F.R. § 54.409(b).

6. The Commission requires each local exchange carrier designated as an ETC in this Order to file the necessary tariffs to qualify for the maximum support available under the federal Lifeline program in states without a qualifying state matching program, i.e. $5.25 per subscriber qualifying for assistance under 47 C.F.R. § 54.409(b).

7. The Commission directs each local exchange carrier designated as an ETC in this Order to file with the Universal Service Administrator, by December 31, 1997, the following information: 1) a demonstration that the carrier's Lifeline plan meets the criteria in 47 C.F.R. §§ 54.400 through 54.417; 2) the number of low income consumers qualifying for Lifeline support; 3) the amount of state assistance.

8. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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